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Report of the Intersecretariat Working Group on National Accounts

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-fifth session,** the Secretary-General has the honour to transmit to the Statistical Commission the report of the Intersecretariat Working Group on National Accounts. The Commission is requested to comment on the points for discussion included in paragraph 39 of the present report.

* E/CN.3/2005/1.

** See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

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I. Introduction

1. At its thirty-fifth session, the Statistical Commission:

(a) Reconfirmed the importance of the updating of the *System of National Accounts, 1993* (1993 SNA), expressed general support for the detailed work programme and timetable and noted the adequateness of the governance structure and the decision-making mechanism;

(b) Reiterated that the revision process should build upon the fundamental conceptual basis of the 1993 SNA; and reconfirmed the eligibility criteria for issues to be updated and the limited scope of the update;

(c) Also reiterated the need for maintaining consistency with the ongoing revisions of the Balance of Payments Manual and other relevant frameworks in the area of public sector accounting, and the importance of seeking, to the extent possible, coherence with business accounting standards; and it noted with satisfaction the steps already taken to this end;

(d) Expressed satisfaction with the progress achieved during the first meeting of the Advisory Expert Group on National Accounts;

(e) Emphasized the need for transparency and the broadest possible involvement of the global statistical community in the updating process; suggested that consideration be given to using electronically circulated questionnaires as a tool for recording opinions on each issue by all member States; and also suggested strengthening the consultation process through additional regional workshops with the participation of developing and transition countries for which appropriate funding should be reserved;

(f) Also emphasized the need to secure adequate funding of the updating programme; welcomed the expression by member countries of explicit commitments to providing financial contribution and human resources to assist in the updating process; and encouraged additional funding support to supplement the resources already committed by the international agencies;

(g) Noted with appreciation the progress in respect of the scope of implementation of the 1993 SNA and the increase in the number of countries that conceptually complied with its recommendations, but called for further technical support to those countries that were not yet in a position to adopt the 1993 SNA;

(h) Suggested further research into the underlying factors that impeded the 1993 SNA implementation as input into the updating process; requested the United Nations Statistics Division in collaboration with regional offices to draft an action plan and seek funding support for its implementation; and noted that the secretariat of the Steering Committee of the Partnership in Statistics for Development in the Twenty-first Century (PARIS 21) had offered assistance for developing such a plan.

2. Section II below provides a progress report on work completed in the updating of the 1993 SNA. Section III presents the report on the 1993 SNA implementation. Section IV addresses the request of the Commission at its thirty-fifth session for the preparation of an assessment of the impeding factors of the implementation of the 1993 SNA in developing countries. Points for discussion are included in paragraph 39.

II. Progress report on work completed in the updating of the 1993 SNA

A. Meetings of the Advisory Expert Group on National Accounts and other activities

3. Over the last 12 months considerable progress has been made with the update of the 1993 SNA in a worldwide consultative process:

(a) Two meetings of the Advisory Expert Group on National Accounts have been organized in 2004;

(b) The Advisory Expert Group on National Accounts has advised the Intersecretariat Working Group on National Accounts to accept the recommendations on the update of a number of issues. Those issues were subsequently submitted for country consultations, the responses to which have been posted on the 1993 SNA update web site;

(c) Progress on the resolution of the 44 issues is proceeding according to schedule.

4. From the very beginning of the updating process, the Intersecretariat Working Group on National Accounts has sought to make the whole process as transparent as possible and to involve as many interested parties as possible in the update. Articles have been published in the periodical *SNA News and Notes* and Working Group members have given numerous presentations at conferences and seminars to provide information on the update.

5. Probably the most important single development to further transparency and to promote involvement has been the creation of a web site, maintained by the United Nations Statistics Division (http://unstats.un.org/unsd/nationalaccount/snarev1.htm). This web site displays:

(a) The work programme approved by the Statistical Commission in March 2004;

(b) The list of issues to be considered in the update, with short descriptions of each issue and an indication of when they are expected to be considered by the Advisory Expert Group on National Accounts;

(c) Issue papers already considered by the Advisory Expert Group on National Accounts, together with the decisions of the Advisory Expert Group on National Accounts and comments made by experts, national statistical offices and central banks;

(d) Issue papers approved by the Intersecretariat Working Group on National Accounts and awaiting discussion at a future Advisory Expert Group on National Accounts meeting;

(e) Minutes of the first Advisory Expert Group on National Accounts meeting, held in February 2004;

(f) Comments of national statistical offices, central banks and national accounts experts on the recommendations of the Advisory Expert Group on National Accounts;

(g) Minutes of the Intersecretariat Working Group on National Accounts meetings;

(h) Links to web sites on the updating of the balance-of-payments managed by the International Monetary Fund (IMF) Committee on Balance of Payments (BoP) Statistics and the government accounts statistics managed by the Task Force for the Harmonisation of Public Sector Accounts.

B. Progress with issues

6. At its first meeting in February 2004, the Advisory Expert Group on National Accounts reached agreement on an initial list of candidate issues to be considered for the update, including balance-of-payments and public finance issues, which, after some consolidation, amount to 44. Also, the Advisory Expert Group on National Accounts considered a number of issues:

(a) Taxes on holding gains — approved the recommendation that there should be no change to the SNA;

(b) Military weapon systems as fixed assets — accepted all the recommendations from the issues paper, the principal one being to recognize expenditure on military weapons systems as fixed capital formation but separate accounts for military and non-military capital formation;

(c) Employer retirement pension schemes — further work needed;

(d) Employee stock options — approved the four recommendations made in the issue paper, the principal one being to recognize employee stock options as compensation of employees;

(e) Costs of ownership transfer on non-financial assets — approved the two recommendations made, namely, (i) to continue to record costs of ownership transfer as fixed capital formation, and (ii) that they should be written off over the expected period of ownership (rather than over the life of the asset);

(f) Measurement of the production of non-life insurance — accepted the major proposal to replace the current formula used to estimate the production of insurance services with one using adjusted claims and adjusted premium supplements, to reflect the expected rather than actual values, and it also accepted the simple cost plus operating surplus alternative;

(g) Provisional recommendations on the measurement of the production of (non-insurance) financial services — further work needed;

(h) Measurement of the output of central banks — further work needed.

7. At the February 2004 meeting of the Advisory Expert Group on National Accounts, some members proposed that some additional issues should be considered in the update, and it was agreed that proposals should be sent to the Intersecretariat Working Group on National Accounts prior to its March 2004 meeting. The 14 proposals received were then considered by the Intersecretariat Working Group on National Accounts and recommendations were made in respect of each one. The proposals and Working Group recommendations were then sent to members of the Advisory Expert Group for their consideration. The outcome (which is reported on

the SNA update web site) was that only points for clarification and textual improvement were approved by the Advisory Expert Group on National Accounts.

8. At the time of writing, a second meeting of the Advisory Expert Group on National Accounts will be held in New York between 8 and 16 December of 2004. A number of issues embracing national accounts, balance-of-payments and public sector accounts will be discussed. Proposals for decision by the Advisory Expert Group on National Accounts have been prepared for the following issues: databases, mineral exploration, originals and copies, valuation of non-performing loans, cost of capital services from government-owned assets, land, change of economic ownership, the application of accrual principles to debt arrears, the meaning of the term "predominant centre of economic interest", multi-territory enterprises, holding companies, special purpose entities and trusts, etc. The full agenda, issue papers, minutes and other relevant documents are available on the 1993 SNA update web site (http://unstats.un.org/unsd/nationalaccount/snarev1.htm).

C. Management of the update process

9. The Intersecretariat Working Group on National Accounts was charged by the Statistical Commission at its meeting in March 2003 with the responsibility of overseeing and managing the update of the 1993 SNA. For the update process, the Advisory Expert Group on National Accounts was established to advise the Working Group on the resolution of the issues. The advice on each of the issues is subsequently submitted for country consultations, the written responses to which are consolidated by the Working Group and posted on the 1993 SNA web site.

10. At this point it is worthwhile clarifying what the Intersecretariat Working Group on National Accounts is and how it operates. The Working Group exists at two levels. At the operational level, there is the National Accountants Group from the same five international organizations making up the Working Group, which meets frequently, prepares reports, etc., and is undertaking the tasks associated with managing the update of the 1993 SNA. Overseeing this group is the Management Group, which consists of the statistical heads of the five organizations, whose role it is to monitor the progress of the update and to take any actions they see fit to ensure a successful outcome. The project manager will oversee the overall coordination work of the updating on behalf of the Management Group.

11. In response to the Commission's emphasis on transparency and broad involvement, the following steps are being taken:

(a) Placing issue papers on the SNA update web site as soon as possible; and advising interested parties of the availability of issue papers on the web site;

(b) Consulting member countries directly by sending to all national statistical offices and central banks summaries of the changes recommended by the Advisory Expert Group on National Accounts (with reference to the web site containing the issue papers) and asking for their comments;

(c) Presenting issue papers at regional meetings for comments, if funding is available. Up to now, the updated issues have been discussed at the Statistical Office of the European Communities (Eurostat) Task Force on the Revision of the 1993 SNA on 15 and 16 September 2004 and the joint national accounts meeting of the Organization for Economic Cooperation and Development (OECD) and the

members of the Economic Commission for Europe (ECE) from 12 to 15 October 2004.

12. The coordination of the update of the 1993 SNA with the *Balance of Payments Manual* and the *Government Financial Statistics Manual* is a critical task that the Intersecretariat Working Group on National Accounts takes most seriously. This includes the following:

(a) National accountants from the ISWGNA institutions take part in the meetings of the IMF Committee on Balance of Payments and the Task Force for the Harmonisation of Public Sector Accounts. This participation should ensure that the implications for the SNA of proposed changes to the *Balance of Payments Manual* or *Government Financial Statistics Manual* will be carefully considered;

(b) All the papers and reports produced by the IMF Committee on Balance of Payments and the Task Force for the Harmonisation of Public Sector Accounts are publicly accessible;

(c) Once appointed, the project manager and editor will provide further assurance of good coordination;

(d) It has already been agreed that time should be set aside at Advisory Expert Group meetings for representatives from the Committee on Balance of Payments and the Task Force for the Harmonisation of Public Sector Accounts to give briefings on issues under consideration;

(e) All the issue papers from the Committee on Balance of Payments and the Task Force for the Harmonisation of Public Sector Accounts are considered by the Advisory Expert Group on National Accounts.

13. The appointment of a project manager and an editor is expected soon. These appointments will be of assistance in coordinating the update of the manuals, but clearly both of them, in their different ways, will play keys roles in ensuring the success of the whole update. Fundraising to support the update process continues to be a high priority.

III. Report on the 1993 SNA implementation

14. Similar to the report submitted to the Statistical Commission at its thirty-fifth session (E/CN.3/2004/10), this section reports on the 1993 SNA implementation using the defined standard called the minimum requirement data set (MRDS) and the "milestone" measure for the scope of available data. Both assessments are based only on the national accounts database administered by the Statistics Division, which consists of the data officially submitted by countries to the Statistics Division, the Statistical Office of the European Communities (Eurostat) and the OECD on the basis of the annual United Nations national accounts questionnaire (NAQ). The limitations of the assessments are the same as presented in last year's report to the Commission.

15. The current analysis is based on the observation period 1997 to 2002. For comparison, the results of the previous scope assessments — reported to the Statistical Commission in 2004 at the thirty-fifth session (E/CN.3/2004/10) and in 2001 at the thirty-second session (E/CN.3/2001/18) are also given.

16. The analysis for the period 1997 to 2002 produced the following results for the 191 States Members of the United Nations:

(a) Data availability has overall considerably improved compared to the first assessment in 2000 for the period 1993-1998, and slightly improved compared to the 2003 assessment of the period 1996-2001. Now 52 countries (27 per cent) fulfil the MRDS benchmark, up from 47 (25 per cent) in 2003, and 24 (13 per cent) in 2000;

(b) Transition economies continued their trend of significantly improving data availability. Now 41 per cent fulfil the MRDS as compared to 19 per cent last year;

(c) In Oceania and Africa, as compared to other regions, implementation rates for the individual table are low. Among the developing regions, Western Asia shows the highest implementation rates for all tables;

(d) The milestone measure[1] exhibits limited variation on a year-on-year comparison.

17. It should be noted that the reported results reflect both an improvement in the 1993 SNA implementation in Member States as well as improved reporting, i.e., the submission of more up-to-date statistics by States to the Statistics Division database. It is currently not possible to separate the two causes and measure their individual impact on data availability.

Table 1

Availability of the tables of the "minimum requirement data set" and milestone levels 1 and 2 for States Members of the United Nations

	Tables of the minimum requirement data set								*Six or more tables*	*Percentage of total*	*Seven tables*	*Percentage of total*	*Milestone level*			
	Total (1)	*1.1* (2)	*1.2* (3)	*2.1* (4)	*2.2* (5)	*2.3* (6)	*1.3/4.1* (7)	*4.2* (8)	(9)	(10)	(11)	(12)	*One or higher* (13)	*Percentage of total* (14)	*Two or higher* (15)	*Percentage of total* (16)
No. of countries[a]																
Fiscal years 1997 to 2002 (Assessment 2004)																
Member States	**191**	**141**	**111**	**139**	**129**	**76**	**102**	**74**	**75**	**39**	**83**	**27**	**137**	**72**	**103**	**54**
Developed[b]	28	25	25	23	20	23	23	24	22	79	20	71	23	82	23	82
Transition economies	27	25	20	27	22	12	17	17	17	63	11	41	25	93	18	67
Developing	136	91	66	89	87	41	62	33	36	26	52	15	89	65	62	46
Africa	53	27	21	25	23	12	15	9	9	17	8	15	23	47	14	26
Caribbean and Latin America	33	29	20	27	28	13	24	11	12	36	7	21	29	88	24	73
Western Asia	15	13	10	13	12	9	10	3	6	40	3	13	13	87	10	67
East, South-East and South Asia	23	19	14	20	20	7	12	9	8	35	4	17	19	83	13	57
Oceania	12	3	1	4	4	0	1	1	1	8	0	0	3	25	1	8
Fiscal years 1996 to 2001 (Assessment 2003)																
Member States	**191**	**140**	**112**	**137**	**130**	**78**	**104**	**68**	**78**	**41**	**87**	**25**	**137**	**72**	**103**	**54**
Developed[b]	28	25	25	23	20	23	24	24	23	82	20	71	23	82	23	82
Transition economies	27	25	20	26	22	7	17	12	13	48	5	19	25	93	18	67
Developing	136	90	67	88	88	48	63	32	42	31	57	16	89	65	62	46
Africa	53	28	22	25	24	14	17	8	10	19	8	15	23	49	16	30
Caribbean and Latin America	33	29	22	27	29	17	24	11	15	45	7	24	30	91	24	73
Western Asia	15	13	9	13	12	10	10	4	8	53	5	13	13	87	10	67
East, South-East and South Asia	23	17	13	19	19	7	11	8	8	35	4	17	17	74	13	52
Oceania	12	3	1	4	4	0	1	1	1	8	0	0	3	25	1	8

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	Total (1)	Tables of the minimum requirement data set: 1.1 (2)	1.2 (3)	2.1 (4)	2.2 (5)	2.3 (6)	1.3/4.1 (7)	4.2 (8)	Six or more tables (9)	Percentage of total (10)	Seven tables (11)	Percentage of total (12)	Milestone level: One or higher (13)	Percentage of total (14)	Two or higher (15)	Percentage of total (16)
	No. of countries[a]															
Fiscal years 1993 to 1998 (Assessment 2000)																
Member States	**189**	**122**	**94**	**120**	**114**	**43**	**74**	**56**	**44**	**23**	**24**	**13**	**122**	**65**	**84**	**44**
Developed[b]	27	23	23	23	19	20	23	19	19	70	16	59	23	85	23	85
Transition economies	27	22	16	23	19	5	12	10	6	22	0	0	22	81	14	52
Developing	135	77	55	74	76	18	39	27	19	14	8	6	77	57	47	35
Africa	53	22	14	20	20	2	7	7	4	8	1	2	21	40	11	21
Caribbean and Latin America	33	24	19	23	25	6	12	8	4	12	3	9	25	76	15	45
Western Asia	15	13	9	14	12	5	8	6	5	33	2	13	13	87	8	53
East, South-East and South Asia	22	17	13	17	18	5	11	5	6	27	2	9	17	77	12	55
Oceania	12	1	0	0	1	0	1	1	0	0	0	0	1	8	1	8

[a] This assessment includes Switzerland and Timor-Leste, which became members of the United Nations after 2000.

[b] Western Europe, United States of America, Canada, Japan, Australia, New Zealand.

IV. Factors impeding the implementation of the 1993 SNA

A. Background

18. At its thirty-fifth session, in 2004, the Statistical Commission expressed concerns about the low level of the 1993 SNA implementation in developing countries more than 10 years after its introduction. In view of this concern, the Statistics Division carried out a survey to investigate the underlying factors that impede the 1993 SNA implementation. To this end, a questionnaire (see annex) was sent to all Member States and territories requesting data on their practices in the last five years.

19. The average rate of response for all countries and territories is 43 per cent. A total of 53 developing countries and territories (39 per cent) responded of which half of the respondents have implemented the 1993 SNA (in short, 1993 SNA implementers).[2] In addition, 15 transition economies (56 per cent) and 16 developed countries (57 per cent) responded to the questionnaire (see table 2), of which the large majority are implementers. The good response rates from both developing and developed countries, from transition economies, and from each region are judged sufficiently high to allow for a reliable comparative analysis.

20. In this section of the report, the importance and relevance of various potential impeding factors in the implementation of the 1993 SNA are reviewed: the institutional environment, availability of computer equipment, staff resources in terms of number, level, turnover, recruitment, participation in statistical training programmes, the availability and scope of basic data, practices in data collection, etc.

B. Institutions responsible for national accounts compilation

21. National accounts are predominantly compiled and disseminated by the National Statistical Offices (see table 2). Only in a small number of countries are national accounts compiled by the Central Bank, mostly in the Latin America and the Caribbean countries, and by other agencies, which include the Ministry of Economic Affairs, Ministry of Finance or others. Otherwise, the nature of the compiling agencies is not a factor to distinguish between the countries that conceptually implement the 1993 SNA and those that do not.

Table 2
General information on the survey

	Number of countries	*Number of countries that responded to the questionnaire*	*Rate of response (%)*	*Number of the 1993 SNA non-implementers that responded*	*Responsible institution for national accounts compilation*			*Ratio of personal computers to National Accounts staff member (%)*
					National Statistical Office	*Central Bank*	*Other*	
All countries and territories[a]	207	89	43.0	31	70	10	9	0.94
All States Members of the United Nations	**191**	**84**	**44.0**	**30**	**65**	**10**	**9**	**0.94**
Developed[b]	28	16	57.1	...	15	...	1	1.03
Transition economies	27	15	55.6	2	15	...	...	0.87
Developing	136	53	39.0	28	35	10	8	0.87
Africa	53	17	32.1	11	14	...	3	0.74
Latin America and the Caribbean	33	18	54.5	8	10	8	...	0.97
Western Asia	15	10	66.7	6	5	1	4	0.80
East, South-East and South Asia	23	8	34.8	3	6	1	1	0.87
Oceania	12	...	...	...	...	...	...	...

[a] Including Anguilla, Aruba, Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, French Guyana, French Polynesia, Guadeloupe, Holy See, Hong Kong (China), Macao (China), Martinique, Montserrat, Netherlands Antilles, New Caledonia, Puerto Rico and Reunion as territories and areas.
[b] Countries of Western Europe, United States of America, Canada, Japan, Australia and New Zealand.

C. Computer equipment

22. The availability of personal computers is currently considered essential for the timely processing of statistical data. However, given the widespread availability, this factor does not discriminate. In the majority of the regions, the national accounts staff members are adequately equipped with personal computers — the ratios of personal computers to staff members exceed 80 per cent, except for Africa, where the ratio is somewhat lower.

D. Staff resources

23. National accounts is a complex subject matter that requires many years of experience and training before staff are adequately familiar with the concepts and the diverse set of data sources used in the compilation. Thus, in the review of staff resources, not only the number of staff but also the level, the turnover and the recruitment of staff should be considered as potential factors that could impede the implementation of the 1993 SNA.

1. Professional and supporting staff

24. In terms of level of staff resources, a distinction is made between professional staff and supporting staff. While the definition of the distinction may vary from country to country, it is generally understood that professional staff members have at least a graduate university degree and/or passed a national or overseas statistical exam for professionals. On average, the national accounts offices in the countries responding to the survey are mainly staffed with professionals, by three out of four staff members. Moreover, this ratio of professional staff is similar in both developing and developed countries and does not differ between the 1993 SNA implementers and non-implementers.

2. Number of staff

25. A potential factor impeding the national accounts implementation, whether conceptual or in scope (e.g., the number of accounts in the SNA), is the adequacy of the number of staff. Low numbers of staff members may not allow countries to introduce the new concepts of the 1993 SNA and the subsequent revision of the historical data to be used in economic analysis and modelling. In addition, a low number of staff members also hinders the expansion of the scope of the series, accounts and tables that can be compiled.

26. The findings show that developed countries tend to have considerably more staff than developing countries, more or less double in every range of population size of countries, except in the population category between 30 and 50 million people (see table 3). Across all countries, the 1993 SNA implementers tend to have more staff than the non-implementers. Among the developing regions, countries in Africa report below average numbers of staff in each category of population size. More specifically, with a few exceptions, African countries indicate that the number of staff does not exceed 10 professional staff members.

Table 3
Number of national accounts staff per million people

	Population (millions)						
	Up to 1	*1-5*	*5-15*	*15-30*	*30-50*	*50-100*	*More than 100*
All States Members of the United Nations	**8**	**17**	**25**	**39**	**39**	**87**	**70**
Implementers	12	18	33	47	39	110	76
Non-implementers	6	14	9	29	...	31	64
Developed[a]	**12**	**37**	**40**	**81**	**37**	**161**	**105**
Implementers	12	37	40	81	37	161	105
Non-implementers	...	...	...	...	...	...	...
Transition economies	**...**	**12**	**36**	**...**	**51**	**...**	**...**
Implementers	...	13	42	...	51	...	...
Non-implementers	...	8	7	...	...	...	...
Developing	**8**	**16**	**15**	**27**	**33**	**32**	**58**
Implementers	12	17	20	25	33	33	47
Non-implementers	6	15	10	29	...	31	64
Africa	**5**	**11**	**13**	**...**	**14**	**10**	**44**
Implementers	...	9	19	...	14	...	...
Non-implementers	5	12	9	...	...	10	44
Latin America and the Caribbean	**6**	**25**	**16**	**35**	**72**	**...**	**47**
Implementers	4	27	21	25	72	...	47
Non-implementers	6	18	11	54	...	...	...
Western Asia	**16**	**20**	**20**	**12**	**...**	**47**	**...**
Implementers	24	6	29	...	...	43	...
Non-implementers	7	33	11	12	...	51	...
East, South-East and South Asia	**7**	**9**	**12**	**31**	**33**	**23**	**84**
Implementers	7	...	12	26	33	23	...
Non-implementers	...	9	...	36	...	...	84
Oceania	**...**	**...**	**...**	**...**	**...**	**...**	**...**

[a] Countries of Western Europe, United States of America, Canada, Japan, Australia and New Zealand.

3. Turnover of staff

27. Staff turnover, when combined with a small number of staff and lack of training, seems to be an important impediment to the implementation of the 1993 SNA. Overall, the turnover rate in national accounts offices is very high for both developing and developed countries. The turnover rates in the last five years range from 30 to 40 per cent, with the rates in developing countries tending to be at the lower end and developed countries and transition economies at the higher end (see table 4). However, the high turnover rate alone does not explain the ability to

implement the 1993 SNA. In fact, in Africa and the Latin America and the Caribbean region, the countries that implement the 1993 SNA have higher turnover rates than the non-implementers. Nevertheless, the non-implementers tend to be the countries that have a low number of staff, net loss in staff in the last five years and do not have regular domestic training programmes. This combination of factors affects Africa the most.

Table 4
Turnover and new recruitment of the national accounts staff

	All countries and territories		*1993 SNA implementers*		*1993 SNA non-implementers*	
	Ratio of new staff who joined national accounts departments in the last 5 years	*Ratio of staff who left national accounts departments in the last 5 years*	*Ratio of new staff who joined national accounts departments in the last 5 years*	*Ratio of staff who left national accounts departments in the last 5 years*	*Ratio of new staff who joined national accounts departments in the last 5 years*	*Ratio of staff who left national accounts departments in the last 5 years*
	(in percentage)					
All countries and territories[a]	46.5	38.1	47.4	38.7	42.9	35.7
All States Members of the United Nations	**45.7**	**37.3**	**46.4**	**37.8**	**42.9**	**35.7**
Developed[b]	42.6	39.6	42.6	39.6	...	...
Transition economies	53.4	40.6	51.8	36.3	93.3	153.3
Developing	45.8	34.0	49.6	35.5	41.4	32.1
Africa	44.1	36.3	77.1	46.7	24.1	29.9
Latin America and the Caribbean	39.4	31.4	43.0	33.4	29.3	25.5
Western Asia	56.6	29.8	48.0	27.5	63.5	31.7
East, South-East and South Asia	48.3	40.4	48.5	40.6	48.1	40.3
Oceania	...	...	...	...	...	...

[a] Including Anguilla, Aruba, Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, French Guyana, French Polynesia, Guadeloupe, Holy See, Hong Kong (China), Macao (China), Martinique, Montserrat, Netherlands Antilles, New Caledonia, Puerto Rico and Reunion as territories and areas.

[b] Countries of Western Europe, United States of America, Canada, Japan, Australia and New Zealand.

4. New staff recruitment

28. With two exceptions — the non-implementers in Africa and the transition economies — the ratio of new recruitment over total staff is higher than the departure rates. Thus, it is only in those non-implementing categories that national accounts departments have not had net staff increases in the last five years.

E. Training

29. Training in national accounts is an indispensable requirement to ensure continuity in and creation of the knowledge capability of the national accounts staff for implementing the 1993 SNA, especially when the turnover of staff is high and the new recruitment is even higher. Although the figures vary across the regions,

more than half of all Member States in the survey indicated that they do not have a regular training programme in place (see table 5).

30. The domestic training capacity differs markedly across the regions and categories of countries. In the last five years, three out of four staff members in developed countries were domestically trained, either through on-the-job training, in-house workshops and classroom courses on national accounts. In contrast, less than two out of four staff members in the developing regions are domestically trained. By region, the ratio in Africa is substantially lower, less than one out of four had some domestic training. Of course, these stark differences in domestic training capacity in Africa have to be understood in combination with the low number of staff and the high turnover rate. Also, in transition economies low domestic training capacity is reported but has been offset by the high rate of participation of staff in international technical assistance programmes.

31. That domestic training capacity is a major factor in becoming a 1993 SNA implementer is reflected in the fact that on average, the rate of staff members who are domestically trained in the developing regions is twice as high among the 1993 SNA implementers as compared to the non-implementers.

32. Every region and category of countries had some form of international training, either domestically or overseas by international organizations or other countries; about one in four staff members. Therefore, international training should not be considered a factor distinguishing 1993 SNA implementers and non-implementers in developing countries.

Table 5
Ratio of national accounts staff trained

	Ratio of national accounts staff trained by:					
	All countries and territories		*1993 SNA implementers*		*1993 SNA non-implementers*	
	International training	*Domestic training*	*International training*	*Domestic training*	*International training*	*Domestic training*
	(in percentage)					
All countries and territories[a]	28.1	48.9	27.5	54.9	30.6	24.7
All States Members of the United Nations	**28.4**	**49.6**	**27.8**	**55.9**	**30.6**	**24.8**
Developed[b]	21.9	72.7	21.9	72.7	...	...
Transition economies	41.6	8.5	41.5	6.2	46.7	66.7
Developing	29.7	42.5	29.3	58.5	30.1	23.5
Africa	30.9	14.5	33.7	12.0	29.2	16.1
Latin America and the Caribbean	26.5	49.9	27.2	50.2	24.6	49.1
Western Asia	33.3	56.1	28.4	83.3	37.3	34.1
East, South-East and South Asia	30.4	42.6	32.7	97.0	28.7	...
Oceania	...	...	...	...	...	...

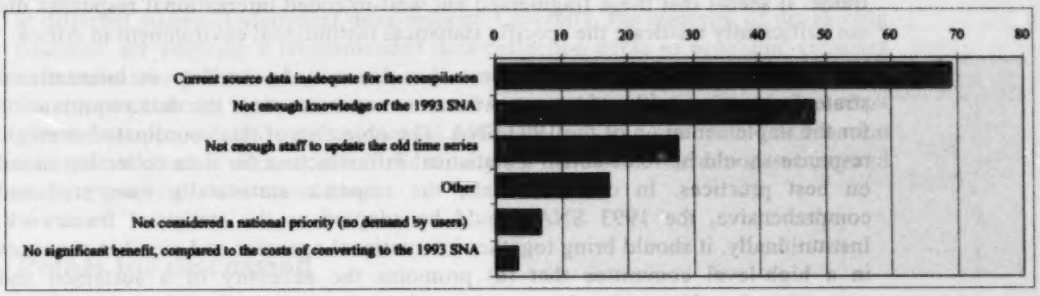
[a] Including Anguilla, Aruba, Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, French Guyana, French Polynesia, Guadeloupe, Holy See, Hong Kong (China), Macao (China), Martinique, Montserrat, Netherlands Antilles, New Caledonia, Puerto Rico and Reunion as territories and areas.

[b] Countries of Western Europe, United States of America, Canada, Japan, Australia and New Zealand.

F. Data resources

33. Data availability is an important requirement for the implementation of the 1993 SNA. The survey responses from the 1993 SNA non-implementers show that data inadequacy is considered the main impediment to the compilation of national accounts followed in importance by the lack of knowledge and the inadequate number and continuity of staff (see chart).

Chart
Factors impeding the 1993 SNA implementation



34. Data collection activities are expensive operations and therefore the current practices require continuous critical evaluation in terms of scope and coverage of the surveys. Currently, the data collection programme for structural industrial statistics recommended by the United Nations includes the use of infrequent economic census as benchmark inquiry (at least for all production units above a certain cut-off point expressed in total sales/turnover or employment) followed by annual surveys and more frequent inquiries between the benchmark years.[3] However, from the responses of the survey, it has been established that the developed countries have done away with this practice. Except for agricultural censuses, 75 per cent of the developed countries compiled their national accounts through basic data from annual surveys and administrative data. This tendency is even more pronounced for transition economies, where 93 per cent of the countries made use of data only from annual surveys and administrative data.

35. This finding for developed countries and transition economies as distinct from developing countries might reflect the tendency to make the most of administrative sources in order to minimize the response burden and cut costs. Many administrative sources provide near census information although the units they use may be different from those of the statistical agency. Therefore, statistical offices are increasingly collaborating with administrative sources to overcome these problems, with various levels of success. For instance, tax data are increasingly used to maintain business registers, and tax records for businesses are replacing survey data. The new practices in data collection and processing using administrative data in combination with surveys of different frequency as well as the new challenges to meet conceptual issues on the globalization of production and financing (like multi-territorial enterprises, outsourcing of production, etc.) warrant revisions of the United Nations manuals on basic economic statistics.

36. The finding of this survey that data availability, both in scope and frequency, is the most important impediment to the implementation of the 1993 SNA in the

developing countries and in particular in Africa is a formal confirmation of various inquiries and findings of other international agencies. Apparently, the numerous initiatives by international agencies to remedy this shortcoming have been undertaken mainly in their specific areas of expertise or mandate, such as agricultural, industrial and services statistics, prices (International Comparison Programme (ICP)), labour statistics, household income and expenditure statistics, international trade and investment statistics, etc. However, as confirmed by the survey, these initiatives have not led to the desired outcome, in part because they have been partial responses encompassing only a subset of the basic economic statistics and in part because the underlying interventions had a short-term time frame. It seems that these fragmented but well-intended international responses did not sufficiently inculcate the specific statistical institutional environment in Africa.

37. At this juncture, therefore, there is a necessity to develop an international strategic response with a focus on African countries to meet the data requirements for the implementation of the 1993 SNA. The objective of this coordinated strategic response should be to establish a statistical infrastructure for data collection based on best practices. In order to make the response statistically integrated and comprehensive, the 1993 SNA should be adopted as the statistical framework. Institutionally, it should bring together international agencies and member countries in a high-level committee that (a) promotes the necessity of a sustained and comprehensive international response and national interventions in a 10-year framework; (b) formulates guidelines for a comprehensive data collection programme of socio-economic statistics for countries at different stages of implementation of the 1993 SNA; and (c) coordinates a mutually reinforcing technical assistance programme of international agencies, both at the regional and individual country level.

G. Recommendations

38. Four main recommendations have been drawn from the analysis of the survey results on impeding factors that warrant further considerations by Member States and the Statistical Commission in order to enhance the implementation of the 1993 SNA:

(a) Countries in developing regions, particularly in Africa, may wish to consider increasing the number of staff members in the national accounts department in order to implement the 1993 SNA and expand the scope of implementation (e.g., the number of accounts in the system) to serve a broader set of analytical purposes. In their decision on the appropriate size of their national accounts department, they may wish to consult the Statistics Division report on the size of staff of national accounts departments by size of population, by region and by scope of accounts;

(b) The Statistical Commission may wish to initiate a study among Member States to share their experiences in human resource management to ensure continuity and quality of the statistical production process. Within this study, it may also be necessary to review the career policies adopted;

(c) The Statistical Commission may wish to initiate a study among Member States to determine the best practices in operating a domestic statistical training programme on statistics in general and national accounts in particular. This study

may serve as a guide for member countries that may wish to develop a regular training programme and for international organizations to provide technical assistance to train-the-trainers programmes;

(d) The Statistical Commission may wish to initiate a study among member countries on best practices and strategies of data collection of basic statistics for structural and more frequent business statistics that would feed into the compilation of national accounts. This study might feed into the review of the United Nations Industrial Statistics programme planned for the thirty-seventh session of the Commission in 2006. This would serve as a strategic long-term response to the design of an economic data collection scheme of a national statistical infrastructure at different stages of statistical development. Currently, the majority of developing countries are adopting a recommended data collection cycle of economic censuses as benchmarks followed by annual and more frequent surveys. In contrast, most developed countries and transition economies responded that they have adopted an alternative approach that relies on annual and more frequent surveys in combination with administrative data. It would be timely to review the current practices and make appropriate recommendations.

V. Points for discussion

39. The Commission may wish to express its views on the following points:

(a) Overall progress in the updating of the 1993 SNA;

(b) Scope of implementation of the 1993 SNA as described in section III;

(c) Recommendations (a) to (d) of paragraph 38 in section IV on factors impeding the implementation of the 1993 SNA.

Notes

[1] The milestone measure delivers better results than the MRDS because the definition used for the milestone assessment by the Statistics Division required either current *or* constant price estimates for GDP by expenditure and industry breakdowns. Moreover, the definition of milestone levels 1 and 2 does not require table 2.3 of the NAQ, while the MRDS does.

[2] The distinction between 1993 SNA implementers and non-implementers is based on an evaluation of the United Nations questionnaires on conceptual compliance and national accounts statistics. This assessment focuses on the adoption of major conceptual changes in GDP in the 1993 SNA from the 1968 SNA. Further details on this distinction are presented in the Statistical Commission report on national accounts (E/CN.3/2003/10).

[3] *International Recommendations for Industrial Statistics*, Statistical Papers, Series M, No. 48/Rev.1 (United Nations publication, Sales No. E.83.XVII.8), 1983.

Annex

Questionnaire on the 1993 SNA implementation

I. General questions	
Country: Name of institution: Contact person for this questionnaire: E-mail:	

II. Resources (Please provide the most recent information)*			Response
1.	Which institution is officially responsible for national accounts compilation/dissemination?	National Statistical Office	
		Central Bank	
		Ministry of Economic Affairs/Planning	
		Other (specify)	
2.	How many staff work in the National Accounts Division/Department (in full time equivalent)?	Total	
		Professionals	
		Supporting staff	
3.	What is the ratio of the staff working in the National Accounts Division/Department to the overall number of the staff working in the National Statistical Office (NSO)?	Total	
		Professionals	
		Supporting staff	
4.	How many new staff have joined the National Accounts Division/Department in the last 5 years?	Professionals	
		Supporting staff	
5.	How many staff have left the National Accounts Division/ Department in the last 5 years?	Professionals	
		Supporting staff	
6.	Is there any regular training programme (domestic or foreign) in place for the staff of the National Accounts Division/ Department?	Yes	
		No	
7.	How many professional staff in the National Accounts Division/Department have participated during the last 5 years in training/workshops on national accounts organized by:	Foreign: International organizations/other countries	
		Domestic: National organizations, including NSO	
8.	How many personal computers are available in the National Accounts Division/Department?		

* Additional comments/explanations (or supporting material, e.g. on organizational details) are welcome.

III. Availability of source data (including data sources from outside the national statistical offices)					
	Censuses of economic units			Annual surveys	Administrative records
	Every 5 years; please provide last census year	Every 10 years; please provide last census year	Less frequent than every 5 or 10 years; please provide last census year	Yes/No; please provide last year of survey	Yes/No
Agriculture					
Forestry					
Mining and quarrying					
Manufacturing					
Electricity, gas and water supply					
Construction					
Wholesale and retail trade					
Hotels and restaurants					
Transport					
Communications					
Financial intermediation					
Other private services					
Public administration					

IV. 1993 SNA implementation: Questions 9-15 are asked only of countries that have not published national accounts according to the 1993 SNA as official statistics.			Response (please tick)
9.	Do you compile national accounts according to the 1993 SNA on an experimental basis?	Yes	
		No (go to 14)	
10.	For how many years are experimental national accounts data available according to the 1993 SNA?	1 year	
		1-3 years	
		More (specify)	
11.	Do you have plans to extend backward the length of the time series of experimental national accounts based on the 1993 SNA?	Yes	
		No plans	
12.	Do you publish or disseminate experimental national accounts data according to the 1993 SNA? (if yes, go to question 14)	Yes	
		No	

13.	What are the reasons for not publishing/disseminating them? (Indicate the order of importance by ranking from 1-4)	Limited time series	
		Not part of the regular statistical programme	
		Lack of understanding of 1993 SNA by users	
		Other (specify)	
14.	When do you plan to start regular publication of national accounts data according to the 1993 SNA?	During the next 3 years	
		During the next 5 years	
		No plans	
15.	If the 1993 SNA has not been implemented as a regular programme, what are the main reasons? (Indicate the order of importance by ranking from 1-6)	Not enough staff to update the old time series	
		Not enough knowledge of the 1993 SNA	
		Not considered a national priority (no demand by users)	
		No significant benefit, compared to the costs of converting to the 1993 SNA	
		Current source data inadequate for the compilation	
		Other (specify)	
Please provide any supplementary comments on the status of implementation of the 1993 SNA in your country. Use a separate attachment if necessary.			